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SECRETARY, BOARD OF OIL, GAS & MINITO

BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

IN THE MATTER OF THE PETITION
OF THE DIVISION OF OIL, GAS
AND MINING FOR AN ORDER
REQUIRING CESSATION OF MINING,
RECLAMATION AND POSTING OF
SURETY, PAGANO CLAY ESTATE,
HAROLD MARSTON PERSONAL
REPRESENTATIVE AND OPERATOR,
PAGANO CLAY PROJECT, EMERY
COUNTY, UTAH

RESPONSE TO ORDER TO SHOW CAUSE

DOCKET NO. 93-004 CAUSE NO. M/015/062

The undersigned, for and on behalf of the Jay Pagano Estate and Harold Marston as personal representative of the Jay Pagano Estate, having received a copy of the Order to Show Cause in the above referenced matter, dated January 27, 1993, hereby responds to the same as follows:

1. Harold Marston, personally and as personal representative of the Jay Pagano Estate, who has been named as operator in this matter, denies that he has acted knowingly and wilfully in violation of the provisions of the Utah Mining Reclamation Act, Utah Code Annotated, Section 40-8-1, et. seq., 1953, as amended, and the rules promulgated pursuant to that statute.

- 2. As of January 27, 1993 and prior thereto, all mining operations on the Pagano Clay Project had been concluded.
- 3. Reclamation of the mine site, known herein as the Pagano Clay Project, was commenced prior to January 27, 1993. Grading and contouring of the land has occurred and will be ready for seed planting as soon as the snow melts from the general vicinity.
- 4. The required Reclamation Plan, as requested by the Division has been completed and submitted to Division staff.
- 5. A surety bond (No. B2363492), dated February 4, 1993, has been filed with the Division to ensure reclamation of the disturbed lands.
- 6. Although Harold Marston, as personal representative of the Jay Pagano Estate appears in all documentation as the named operator of the Pagano Clay Project, the Jay Pagano Estate nor Harold Marston, as personal representative of that Estate, were ever in direct control of the said Clay Project. At all times relevant hereto, East Carbon Constructors, Inc., a Utah corporation, acted in the capacity and held itself out to be the actual operator of the Project.
- 7. The Jay Pagano Estate and Harold Marston, as personal representative of that Estate, are desirous of resolving this matter in an amicable and expeditious manner and have, at all times relevant hereto, acted in good faith toward that effort.

DATED this 18th day of February, 1993.

NICK SAMPINOS

Attorney for Jay Pagano Estate and Harold Marston as Personal Representative of the Jay Pagano Estate

CERTIFICATE OF MAILING

I hereby certify that on the 18th day of February, 1993, I mailed a true and correct copy of the above and foregoing Response to Order to Show Cause, by U.S. Express, Overnight Mail, postage prepaid, to the following:

Attn: Janice L. Brown, Secretary of the Board Department of Natural Resources Division of Oil, Gas and Mining 3 Triad Center, Suite 350 355 West North Temple Salt Lake City, Utah 84180-1203

Assistant Attorney General 3 Triad Center, Suite 350 355 West North Temple Salt Lake City, Utah 84180-1203

Secretary